

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 2405 - SB 2620**

March 13, 2016

**SUMMARY OF BILL:** Decreases, from \$115 to \$100, the renewable handgun carry permit application fee. Removes current language related to fee allocation and instead declares the \$100 fee should cover all aspects of processing the application and issuing a permit.

Mandates that any person, who has been honorably discharged from any branch of the United States armed forces or who is on active duty in any branch of the armed forces or who is currently serving in the national guard or armed forces reserve, and who makes initial application for a handgun carry permit, shall be required to pay only that portion of the initial application fee that is necessary to conduct the required criminal history record checks.

**ESTIMATED FISCAL IMPACT:**

**Decrease State Revenue - \$942,700/Handgun Permit Division**

Assumptions:

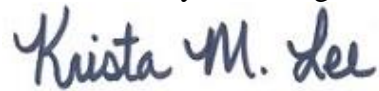
- Based on information provided by the Department of Safety (DOS), the five-year average for new handgun carry permit applications is 53,685 per year; the five-year average for permit renewals is 67,422 per year. These numbers are assumed to remain constant in subsequent years.
- The average fee for a new handgun carry permit is \$115.
- From every new initial permit fee paid, \$15 is allocated to the applicable sheriff's department to cover the cost of a local background check; \$15 is allocated to the Tennessee Bureau of Investigation (TBI) for updating and maintaining their databases; \$38 is allocated to the TBI to cover the cost of fingerprint vendors, TBI background checks, and Federal Bureau of Investigation (FBI) fingerprint background checks; the remaining \$47 is retained by the Handgun Permit Division of DOS to specifically fund the administrative expenses of the Division.
- Qualified military personnel as identified by the bill will incur a fee of \$68 (a \$47 reduction relative to current law); all other persons will incur a fee of \$100 (a \$15 reduction relative to current law).
- Any reduced fee revenue is revenue the Handgun Carry Permit Division would receive in the absence of the bill.
- Based on population statistics, an estimated eight percent or 4,294 (53,685 x 0.08) of handgun carry permit applicants will meet the requirements for the military discount for

qualified armed forces participation. The recurring decrease in state revenue to the Handgun Permit Division is estimated to be \$201,818 (\$47 reduction x 4,294).

- The number of annual non-military applicants is estimated to be 49,391 (53,685 – 4,294). The recurring decrease in state revenue to the Handgun Permit Division is estimated to be \$740,865 (49,391 x \$15).
- The total recurring decrease in state revenue to the Handgun Permit Division is estimated to be \$942,683 (\$201,818 + \$740,865).
- The provisions of the bill will not impact renewal cycles or renewal fee revenue.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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